

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

July 20, 2001

IN RE:

BELLSOUTH TELECOMMUNICATIONS, INC.
TARIFF TO OFFER CONTRACT SERVICE
ARRANGEMENT (TN01-0212-04)

)
)
)
)
)

DOCKET NO.
01-00344

**ORDER GRANTING APPROVAL OF BELLSOUTH
CONTRACT SERVICE ARRANGEMENT (TN01-0212-04)**

This matter came before the Tennessee Regulatory Authority ("Authority") at a regularly scheduled Authority Conference on May 15, 2001 on the tariff filing of BellSouth Telecommunications, Inc. ("BellSouth") for approval to offer Contract Service Arrangement No. TN01-0212-04 ("CSA"). BellSouth filed Tariff No. 01-00344 on April 17, 2001, with a proposed effective date of May 17, 2001.

Based upon careful consideration of the tariff filing and the attachments thereto, the Authority made the following findings and conclusions:

1. The purpose of this CSA is to provide Frame Relay service to the customer identified in the filing. Frame Relay service utilizes a special network, separate from the public switched network, for providing customers with high-speed data transport between multiple locations.

2. The term of this CSA is thirty-six (36) months with a twenty-four (24) month renewal option. The customer must notify BellSouth of its intent to renew the contract within sixty (60) days of the expiration of the initial thirty-six (36) month term. The contract has

language that indicates that the customer and BellSouth are aware that the renewal is contingent on approval by the Authority.

3. Through this CSA, BellSouth is offering the customer a forty-two and eight-tenths percent (42.8%) discount on recurring charges and a waiver of non-recurring charges.

4. In its April 17, 2001 cover letter included with the CSA filing, BellSouth agreed to notify the customer¹ that upon early termination of the CSA without cause, the lesser of the following termination liability charges would apply:

- a. The amounts specified in the CSA the customer signed;²
- b. The total of the repayment of discounts received during the previous twelve (12) months of service, the repayment of the prorated amount of any waived or discounted non-recurring charges, and the repayment of the prorated amount of any documented contract preparation, implementation and tracking, or similar charges; or
- c. Six percent (6%) of the total CSA amount.

5. The CSA includes language demonstrating that the customer is aware of competitive alternatives available to it in Tennessee and that the customer and BellSouth have agreed on the termination provisions and that the termination charges represent a reasonable estimate of BellSouth's damages in the event of termination.

¹ BellSouth agreed during the October 24, 2000 Authority Conference that it would send the notice to the customer upon approval of the CSA by the Authority. See Transcript of Proceedings, Oct. 24, 2000, p. 15 (Authority Conference). On May 18, 2001, BellSouth filed a copy of the notification letter sent to the customer with the Authority.

² An Attachment to this CSA defines the applicable termination charges as follows:
the lesser of (a) the sum of the repayment of discounts received during the previous 12 months of the service, the repayment of the pro-rated amount of any waived or discounted non-recurring charges set forth in the Notes Section of the Agreement, and the pro-rated contract preparation charge set forth in the Notes Section of the Agreement; or (b) six percent (6%) of the total Agreement amount.


6. BellSouth supplied cost data which indicates that the price of services offered under the CSA exceed their long-run incremental costs. This data indicates that BellSouth has complied with the statutory price floor established in Tenn. Code Ann. § 65-5-208(c).

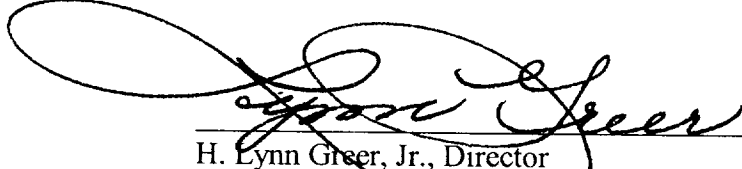
7. No parties sought to intervene in this docket.


Based upon the foregoing, the Directors of the Authority unanimously determined that the CSA in this docket should be granted.

IT IS THEREFORE ORDERED THAT:

BellSouth Telecommunications, Inc.'s Tariff No. 01-00344, which seeks approval of Contract Service Arrangement No. TN01-0212-04, is hereby granted.


Sara Kyle, Chairman


H. Lynn Greer, Jr., Director


Melvin J. Malone, Director

ATTEST:


K. David Waddell, Executive Secretary